

**Thursday, April 15, 2010**  
**5:30 p.m.**  
**State Capitol – Room 318**  
**St. Paul, Minnesota**

**1) Roll Call**

Senator David Tomassoni, Chair, called the meeting to order at approximately 5:33 p.m.  
Present: Representative David Dill, Representative Tom Rukavina, Representative Tony Sertich, Senator Tom Bakk, Senator Tom Saxhaug, Senator Yvonne Prettner Solon, Senator Rod Skoe, Citizen Joe Begich, Citizen Shelley Robinson, Citizen Jack Ryan. Excused: Representative Tom Anzelc, Representative Loren Solberg. Minute Taker: Laureen Hall, Executive Assistant. Also present: Sandy Layman, Commissioner; Brian Hiti, Deputy Commissioner; Al Becicka, Assistant Attorney General; Matt Sjoberg, Development Strategies Director; Jean Dolensek, Chief Financial Officer; Roy Smith, Workforce Development Coordinator; Dave Hart, Loan Officer Sr., Supervisor; Kyle Hopstad, Interim CEO, Virginia Regional Medical Center; Tom Ehrbright, President, Disability Specialist, Inc.; Scott Dane, Executive Director, Associated Contract Loggers & Truckers of Minnesota; Keith Nelson, St. Louis County Commissioner; Rich Puhek, Chairman of the Board, Ironworld Development Corporation; Paul Metsa, Musician.

**2) Approval of the February 18, 2010, Minutes**

Senator Tom Saxhaug moved approval of the February 18, 2010, minutes. Seconded by Senator Yvonne Prettner Solon. Motion carried.

**Voting in Favor of the Motion:** Representative David Dill, Representative Tom Rukavina, Representative Tony Sertich, Senator Tom Bakk, Senator Yvonne Prettner Solon, Senator Tom Saxhaug, Senator Rod Skoe, Senator David Tomassoni, Citizen Joe Begich, Citizen Shelley Robinson, Citizen Jack Ryan

**Voting Against the Motion:** None

**Abstain:** None

**Excused:** Representative Tom Anzelc, Representative Loren Solberg

**3) Commissioner Comments**

**a) FY10 Agency Budget Amendment – Resolution No. 10-032**

Commissioner Layman explained that the economic development projects on the agenda to be funded from the Douglas J. Johnson Economic Protection Trust Fund (DJJ) would exceed the amount currently available in the FY10 Budget. Therefore, Resolution No. 10-032 was being presented, which would increase the budget by \$10,999 to enable the agency to fund those projects. Also, the Resolution acknowledges the Laws of Minnesota 2010, Chapter 215, which was enacted by the legislature and signed into law by the Governor on April 1, 2010, amended

Minnesota Statutes Section 298.294 (b) and requires that an additional \$500,000 not included in the FY10 Budget be transferred from DJJ Funds into a special account.

Motion by Representative Tony Sertich to approve the FY10 Agency Budget Amendment as presented in Resolution No. 10-032. Seconded by Citizen Jack Ryan. Motion carried.

**Voting in Favor of the Motion:** Representative David Dill, Representative Tom Rukavina, Representative Tony Sertich, Senator Tom Bakk, Senator Yvonne Prettner Solon, Senator Tom Saxhaug, Senator Rod Skoe, Senator David Tomassoni, Citizen Joe Begich, Citizen Shelley Robinson, Citizen Jack Ryan

**Voting Against the Motion:** None

**Abstain:** None

**Excused:** Representative Tom Anzelc, Representative Loren Solberg

**IRON RANGE RESOURCES AND REHABILITATION BOARD  
OF THE STATE OF MINNESOTA  
FISCAL YEAR 2010 AGENCY BUDGET AMENDMENT APPROVAL**

**Resolution No.: 10-032**

**WHEREAS**, the Commissioner, pursuant to the provisions of Minnesota Statutes Section 298.22, Subd. 11, submitted to the Board for its consideration and approval a proposed FY10 Agency Investment Plan for the funding of operational expenditures, programs and projects of the agency during the State's fiscal year 2010 ("FY10") which covered the period of time from July 1, 2009, through June 30, 2010 (the "**Budget**"); and

**WHEREAS**, on June 18, 2009, the Board voted to approve Resolution No. 09-030, which adopted the Budget for FY10 ; and

**WHEREAS**, the Commissioner intends to present three projects at this Board meeting to be funded from the Business Development Project Account (the "**BDP Account**") of the Douglas J. Johnson Economic Protection Trust Fund monies made available under Minnesota Statutes Sections 298.291-298.294 and Minnesota Statute Section 298.28, subdivision 11 ("**DJJ Funds**") for the Board's consideration and approval, but approval of all three projects would deplete the amount budgeted for the BDP Account and leave a shortfall of \$10,999 in the FY10 Budget for the BDP Account; and

**WHEREAS**, Law of Minnesota 2010, Chapter 215, which was enacted by the legislature and signed into law by the Governor on April 1, 2010, amended Minnesota Statutes Section 298.294 (b) and requires that an additional \$500,000 not included in the FY10 Budget be transferred from DJJ Funds into a special account (the "**Special Account**") authorized pursuant to said statute in FY10; and

**WHEREAS**, the Board met in open session at 5:30 p.m. in St. Paul, Minnesota, to consider, among other matters, amending the FY10 Budget to increase the BDP Account by \$10,999 from additional DJJ Funds and to increase the Special Account authorized by Minnesota Statutes Section 298.294 (b) by \$500,000, and by approval of at least eight of its members has determined that amending the FY10 Budget as proposed would help promote economic development within the Taconite Assistance Area.

**NOW, THEREFORE, IT IS HEREBY RESOLVED**, that the Board approves amending the FY10 Budget by increasing funds in the BDP Account by \$10,999 from additional DJJ Funds and by increasing the Special Account authorized by Minnesota Statutes Section 298.294 (b) by \$500,000.

**PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION BOARD THIS 15<sup>th</sup> DAY OF APRIL 2010.**

| <b>Member</b>                 | <b>Aye</b> | <b>Nay</b> | <b>Abstain</b> | <b>Excused</b> |
|-------------------------------|------------|------------|----------------|----------------|
| Senator Tom Bakk              | <b>X</b>   |            |                |                |
| Senator Tom Saxhaug           | <b>X</b>   |            |                |                |
| Senator Rod Skoe              | <b>X</b>   |            |                |                |
| Senator Yvonne Prettner Solon | <b>X</b>   |            |                |                |
| Senator Dave Tomassoni        | <b>X</b>   |            |                |                |
| Representative Tom Anzelc     |            |            |                | <b>X</b>       |
| Representative Dave Dill      | <b>X</b>   |            |                |                |
| Representative Tom Rukavina   | <b>X</b>   |            |                |                |
| Representative Tony Sertich   | <b>X</b>   |            |                |                |
| Representative Loren Solberg  |            |            |                | <b>X</b>       |
| Citizen Joe Begich            | <b>X</b>   |            |                |                |
| Citizen Shelley Robinson      | <b>X</b>   |            |                |                |
| Citizen Jack Ryan             | <b>X</b>   |            |                |                |
| <b>TOTAL</b>                  | <b>11</b>  | <b>0</b>   | <b>0</b>       | <b>2</b>       |

Signed: \_\_\_\_\_  
 Senator David Tomassoni, Chair

#### **4) Douglas J. Johnson Economic Protection Trust Fund**

##### **a) Disability Specialist, Inc./City of Cook – Resolution No. 10-033**

Motion by Representative David Dill to approve the Disability Specialist, Inc. and City of Cook projects as presented in Resolution No. 10-033. Seconded by Senator Tom Bakk. Motion carried.

**Voting in Favor of the Motion:** Representative David Dill, Representative Tom Rukavina, Representative Tony Sertich, Senator Tom Bakk, Senator Yvonne Prettner Solon, Senator Tom Saxhaug, Senator Rod Skoe, Senator David Tomassoni, Citizen Joe Begich, Citizen Shelley Robinson, Citizen Jack Ryan

**Voting Against the Motion:** None

**Abstain:** None

**Excused:** Representative Tom Anzelc, Representative Loren Solberg

**IRON RANGE RESOURCES AND REHABILITATION BOARD  
OF THE STATE OF MINNESOTA  
DISABILITY SPECIALISTS PARTICIPATION LOAN/ CITY OF COOK  
INFRASTRUCTURE GRANT  
DOUGLAS J. JOHNSON ECONOMIC PROTECTION TRUST FUND PROJECT**

**Resolution No.: 10-033**

**WHEREAS**, the Commissioner is authorized to expend, upon approval of eight members of the Board, the Douglas J. Johnson Economic Protection Trust Fund monies made available under Minnesota Statutes Sections 298.291-298.294 and Minnesota Statute Section 298.28, subdivision 11 (“**DJJ Funds**”), to provide grants and participate with private sources in providing financing for various projects located within the Taconite Assistance Area defined in Minnesota Statutes Section 273.1341 (“**TAA**”) which will serve the purposes detailed in Minnesota Statutes Section 298.292, subdivision 1; and

**WHEREAS**, the agency’s approved FY10 Investment Plan, as amended, includes provision for the use of DJJ Funds for economic development projects under a budget line item category of DJJ Business Development Projects; and

**WHEREAS**, Disability Specialist, Inc., is a successful business with its headquarters in the City of Cook, located within the TAA, which employs 30 full-time people at its headquarters location and is in need of \$675,000 in funding in the form of an agency participation loan to assist it with expanding its current facility so that it may continue to grow and hire additional employees (the “**Proposed Project**”) as more fully described in Exhibit A, which is attached hereto; and

**WHEREAS**, the City of Cook supports the expansion of Disability Specialist’s headquarters facility and has submitted a request for a grant of \$200,000 to fund a portion of the water, sewer, road, site preparation and infrastructure costs it anticipates incurring in connection with its financial participation, with other sources of private financing, in the Proposed Project as more fully described in Exhibit B, which is attached hereto; and

**WHEREAS**, the technical advisory committee appointed pursuant to Minnesota Statutes Section 298.297 met on April 8, 2010, and recommended that the Board approve the Proposed Project as presented in accordance with the information provided in Exhibit A and Exhibit B; and

**WHEREAS**, the Board met in open session on April 15, 2010, at 5:30 p.m. in St. Paul, Minnesota, to consider, among other matters, final approval of the Proposed Project and determined that the expenditure of \$675,000 of FY 2010 DJJ Funds for an agency participation loan to help provide construction financing for Disability Specialist, Inc., and the expenditure of

\$200,000 of FY 2010 DJJ Funds for a grant to the City of Cook for infrastructure costs, for the purposes specified herein, would be a project designed to create employment, would be in the public interest, and would promote economic development within the TAA.

**NOW, THEREFORE, IT IS RESOLVED**, that the Board approves the expenditure of up to \$875,000 of FY 2010 DJJ Business Development Funds to be used for an agency loan participation interest of up to \$675,000 with a private bank, and to provide a grant of up to \$200,000 to the City of Cook for infrastructure site work costs, all of which shall be in support of the Proposed Project as provided herein and more fully described in the attachments Exhibit A and Exhibit B.

**BE IT FURTHER RESOLVED** that the Board's approval for the expenditure of these funds is contingent upon the agency, in its grant contract(s) with the City of Cook, requiring the payment of prevailing wages, as indicated in and to the extent required in, the Board's Resolution 96-005, by all contractors of the City and of Disability Specialist, Inc. furnishing labor or materials to the Proposed Project site.

**PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION BOARD THIS 15<sup>th</sup> DAY OF APRIL 2010.**

| <b>Member</b>                 | <b>Aye</b> | <b>Nay</b> | <b>Abstain</b> | <b>Excused</b> |
|-------------------------------|------------|------------|----------------|----------------|
| Senator Tom Bakk              | <b>X</b>   |            |                |                |
| Senator Tom Saxhaug           | <b>X</b>   |            |                |                |
| Senator Rod Skoe              | <b>X</b>   |            |                |                |
| Senator Yvonne Prettner Solon | <b>X</b>   |            |                |                |
| Senator Dave Tomassoni        | <b>X</b>   |            |                |                |
| Representative Tom Anzelc     |            |            |                | <b>X</b>       |
| Representative Dave Dill      | <b>X</b>   |            |                |                |
| Representative Tom Rukavina   | <b>X</b>   |            |                |                |
| Representative Tony Sertich   | <b>X</b>   |            |                |                |
| Representative Loren Solberg  |            |            |                | <b>X</b>       |
| Citizen Joe Begich            | <b>X</b>   |            |                |                |
| Citizen Shelley Robinson      | <b>X</b>   |            |                |                |
| Citizen Jack Ryan             | <b>X</b>   |            |                |                |
| <b>TOTAL</b>                  | <b>11</b>  | <b>0</b>   | <b>0</b>       | <b>2</b>       |

Signed: \_\_\_\_\_  
Senator David Tomassoni, Chair

**EXHIBIT A**  
**Disability Specialist, Inc.**  
Bank Participation Loan Program

**APPLICANT:**  
Disability Specialist, Inc.

**PRINCIPAL(S):**

Tom Ehrbright, President, and Matthew Hoeschen-Ehrbright, CEO

**BRIEF PROJECT DESCRIPTION:**

Construct a new facility to allow the company to continue to expand in Cook, MN

**PROJECT COST:**

\$2,700,000

**PROJECT BREAKDOWN:**

|  |                |
|--|----------------|
| Small Business Administration 504 loan       | \$1,080,000    |
| Bank loan                                    | 675,000        |
| Iron Range Resources Bank Participation Loan | 675,000        |
| Owner's equity                               | <u>270,000</u> |
| Total  | \$2,700,000    |

**COLLATERAL:**

Collateral consists of a first mortgage on the new facility and personal guaranties of Thomas and Lee Ann Ehrbright. The appraisal has not yet been completed on the new facility. Any collateral shortfall will be secured with mortgages on the existing commercial real estate and the guarantor's personal residence or with additional owner's cash injection into the project. All collateral will be shared pro-rata with the bank. The SBA will hold a subordinate position on the collateral.

**JOBS:**

This project will allow the retention of 30 full-time employees and the creation of an additional 20 full-time jobs at wages of \$11.50 to \$16.00 per hour. Full-time employees are provided a comprehensive benefit package including health and dental insurance.

**CONTINGENCIES:**

All construction permits must be acquired and all other sources of financing must be committed. Appraisals on pledged real estate must total at least \$2,700,000 or additional owner's equity will be required.

**TECHNICAL ADVISORY COMMITTEE RECOMMENDATIONS:**

Recommended approval of the Project at the Committee's April 8, 2010, meeting.

**FUNDING AUTHORIZATION:**

Douglas J. Johnson Economic Protection Trust Fund: This project is authorized under the provisions of the Douglas J. Johnson Economic Protection Trust Fund Act (Minnesota Statutes sections 298.291-298.298) pertaining to expenditures of Douglas J. Johnson Economic Protection Trust Fund monies for economic development projects in that these statutes authorize small business development loans to private enterprises for the purposes of job creation and economic development within the Taconite Assistance Area defined in Minnesota Statutes Section 273.1341.

**PROJECT DESCRIPTION:**

Disability Specialist, Inc. was formed in 1989 when the state of Minnesota began contracting with specialists to assist clients in accessing Social Security disability benefits. The company began as a two-person operation and quickly grew. By 2005, the company had grown to 12 employees in Cook and needed a larger facility. The new facility was constructed in 2006 and supported business growth to the current total of 30 full-time employees.

The current facility in Cook cannot support additional growth. President Tom Ehrbright estimates that continued growth of the company will require an additional 20 full-time employees over the next 5 years.

The project under consideration is to construct a new, expandable, 11,500 square-foot facility to allow the company to continue to grow in Cook, Minnesota.

**MANAGEMENT TEAM:**

Thomas Ehrbright, President, founded the company in 1989. Tom holds degrees in political science and history from the University of Michigan. Matthew Hoeschen-Ehrbright, CEO, joined the company in 2005. Matt holds a degree in psychology from the College of St. Scholastica.

**MARKET OPPORTUNITY:**

Disability Specialist's target market is those people applying for Social Security disability benefits. The company has a state-wide contract to represent the clients of the Minnesota Department of Human Services. The company has representatives in Cook, Brainerd, Rochester, Minneapolis and Detroit Lakes and serves clients in Minnesota, western Wisconsin, northern Iowa, eastern North and South Dakota and the upper peninsula of Michigan.

**COLLATERAL REVIEW:**

The new 11,500 square-foot facility has an estimated construction cost of \$2,700,000. The appraisal has been ordered, but is not available at this time. The existing 4-year-old facility had a construction cost of \$435,000 and has a current appraisal value of \$270,000. The guarantor's personal residence has a current tax value of \$360,000.

**Total estimated value of real estate is calculated below:**

|                                   |                |
|-----------------------------------|----------------|
| New facility construction cost    | \$2,700,000    |
| Existing facility appraised value | 270,000        |
| Guarantor's residence             | <u>360,000</u> |
| Total                             | \$3,330,000    |

**PAST IRON RANGE RESOURCES HISTORY:**

In 2005, Iron Range Resources approved a \$185,000 Bank Participation Loan for construction of a new facility in Cook to allow the company to expand. The loan was paid in full in September 2009.



**EXHIBIT B**  
**City of Cook**

**Iron Range Resources**  
P.O. Box 441  
4261 Highway 53 South  
Eveleth, Minnesota 55734-0441  
(218) 735-3000 • 800-765-5043  
Fax: (218)735-3047

**To:** Iron Range Resources Board

**From:** Sandy Layman  
Commissioner

**Date:** April 15, 2010

**Re: \$200,000 CITY OF COOK INFRASTRUCTURE GRANT**

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The City of Cook has requested Iron Range Resources financing, in the form of a Public Works Infrastructure Grant in the amount of \$200,000, to assist with infrastructure in the development of a new building for Disability Specialist, Inc.

**BACKGROUND:**

Disability Specialist, Inc. was formed in 1989 when the State began contracting with specialists to assist clients in accessing Social Security disability benefits. The company began as a two-person operation and quickly grew. By 2005, the company had grown to 12 employees in Cook and needed a larger facility. A new facility was constructed in 2006 and supported business growth to the current total of 30 full-time employees.

The current facility in Cook cannot support additional growth. President Tom Ehrbright estimates that continued growth of the company will require an additional 20 full-time employees over the next 5 years.

Disability Specialist plans to construct a new, expandable, 11,500 square-foot facility to allow the company to continue to grow in Cook, Minnesota.

**PROJECT DETAIL:**

The project consists of water, sewer, road and site improvements for the construction of an 11,500 square-foot building. Total project costs are \$270,800 with the developer providing the funding in excess of the \$200,000 provided by the agency.

The option for on-site well and septic was evaluated but, in light of future fire protection needs and land development opportunities, the extension of utilities appears to be the most advantageous option. This extension of infrastructure along River Street North and C.S.A.H. 115 will bring infrastructure to the northern end of 76 additional developable acres.

Release of Iron Range Resources funds is contingent upon the agency receiving a copy of a development agreement between the City and Disability Specialist, Inc.

**USES**

**SOURCES**



|                                    |                  |                      |                  |
|------------------------------------|------------------|----------------------|------------------|
| Water, sewer and road improvements | \$270,800        | Iron Range Resources | \$200,000        |
|                                    |                  | Private/city         | \$70,800         |
| <b>TOTAL</b>                       | <b>\$270,800</b> | <b>TOTAL</b>         | <b>\$270,800</b> |

# **TECHNICAL ADVISORY COMMITTEE RECOMMENDATIONS:**

Recommended approval of the Project at the Committee's April 8, 2010, meeting.

# **FUNDING AUTHORIZATION:**

Douglas J. Johnson Economic Protection Trust Fund: This proposed project is authorized under the provisions of the Douglas J. Johnson Economic Protection Trust Fund Act (Minnesota Statutes sections 298.291-298.298) pertaining to expenditures of Douglas J. Johnson Economic Protection Trust Fund monies for economic development projects in that these statutes authorize the expenditure of such DJJEPTF monies to provide loans and other forms of financial participation with private sources of funding to assist private enterprises in projects that promote job creation and economic development within the Taconite Assistance Area defined in Minnesota Statutes Section 273.1341.

## **b) City of Mt. Iron – Resolution No. 10-034**

Motion by Representative Tom Rukavina to approve the City of Mt. Iron project as presented in Resolution No. 10-034. Seconded by Representative Tony Sertich. Motion carried.

**Voting in Favor of the Motion:** Representative David Dill, Representative Tom Rukavina, Representative Tony Sertich, Senator Tom Bakk, Senator Yvonne Prettner Solon, Senator Tom Saxhaug, Senator Rod Skoe, Senator David Tomassoni, Citizen Joe Begich, Citizen Shelley Robinson, Citizen Jack Ryan

**Voting Against the Motion:** None

**Abstain:** None

**Excused:** Representative Tom Anzelc, Representative Loren Solberg

## **IRON RANGE RESOURCES AND REHABILITATION BOARD OF THE STATE OF MINNESOTA CITY OF MOUNTAIN IRON RAIL ACCESS ROAD IMPROVEMENT GRANT DOUGLAS J. JOHNSON ECONOMIC PROTECTION TRUST FUND PROJECT**

## **Resolution No.: 10-034**

**WHEREAS**, the Commissioner is authorized to expend, upon approval of eight members of the Board, the Douglas J. Johnson Economic Protection Trust Fund monies made available under Minnesota Statutes Sections 298.291-298.294 and Minnesota Statute Section 298.28, subdivision 11 (“**DJJ Funds**”), to participate with private sources in providing financing for various projects located within the Taconite Assistance Area defined in Minnesota Statutes Section 273.1341

(“TAA”) which will serve the purposes detailed in Minnesota Statutes Section 298.292, subdivision 1; and

**WHEREAS**, the agency’s approved FY10 Investment Plan, as amended, includes provision for the use of DJJ Funds for economic development projects under a budget line item category of DJJ Business Development Projects; and

**WHEREAS**, the City of Mountain Iron, which is a city located within the TAA, submitted a request for a grant of \$191,000 to fund the road improvement costs it anticipates incurring in connection with its financial participation, with other sources of private financing, in an economic development project that will be undertaken by the Canadian National railway (“CN”) to improve a rail yard within the city near Slate Street that will allow logging companies located within the TAA to access and utilize the rail yard up to an additional 12 weeks per year and ship up to 3,564 additional cords of wood per year to markets accessible by railroad transportation, (the “**Proposed Project**”); and,

**WHEREAS**, the technical advisory committee appointed pursuant to Minnesota Statutes Section 298.297 met on April 8, 2010, and recommended that the Board approve the Proposed Project as presented in accordance with the information provided in Exhibit A which is attached hereto; and

**WHEREAS**, the Board met in open session at 5:30 p.m. on April 15, 2010, in St. Paul, Minnesota, to consider, among other matters, final approval for the Proposed Project and determined that the expenditure of up to \$191,000 of FY 2010 DJJ Funds to make a grant to the City of Mountain Iron for the Proposed Project, for the purposes specified herein would be a project designed to create employment, would be in the public interest, and would promote economic development within the TAA.

**NOW, THEREFORE, IT IS RESOLVED**, that the Board approves the expenditure of up to \$191,000 of FY 2010 DJJ Business Development Funds to provide a grant to the City of Mountain Iron for road improvement costs for the Proposed Project, in accordance with the information provided in Exhibit A.

**BE IT FURTHER RESOLVED** that the Board’s approval for the expenditure of these funds is contingent upon the agency, in its grant contract(s) with the City of Mountain Iron, requiring the payment of prevailing wages, as indicated in and to the extent required in, the Board’s Resolution 96-005, by all contractors of the City and of the CN company furnishing labor or materials to the Proposed Project site.

**PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION BOARD THIS 15<sup>th</sup> DAY OF APRIL 2010.**

| Member                        | Aye      | Nay | Abstain | Excused |
|-------------------------------|----------|-----|---------|---------|
| Senator Tom Bakk              | <b>X</b> |     |         |         |
| Senator Tom Saxhaug           | <b>X</b> |     |         |         |
| Senator Rod Skoe              | <b>X</b> |     |         |         |
| Senator Yvonne Prettner Solon | <b>X</b> |     |         |         |

|                              |           |          |          |          |
|------------------------------|-----------|----------|----------|----------|
| Senator Dave Tomassoni       | <b>X</b>  |          |          |          |
| Representative Tom Anzelc    |           |          |          | <b>X</b> |
| Representative Dave Dill     | <b>X</b>  |          |          |          |
| Representative Tom Rukavina  | <b>X</b>  |          |          |          |
| Representative Tony Sertich  | <b>X</b>  |          |          |          |
| Representative Loren Solberg |           |          |          | <b>X</b> |
| Citizen Joe Begich           | <b>X</b>  |          |          |          |
| Citizen Shelley Robinson     | <b>X</b>  |          |          |          |
| Citizen Jack Ryan            | <b>X</b>  |          |          |          |
| <b>TOTAL</b>                 | <b>11</b> | <b>0</b> | <b>0</b> | <b>2</b> |

Signed: \_\_\_\_\_  
 Senator David Tomassoni, Chair

### EXHIBIT A



**Iron Range Resources**  
 P.O. Box 441  
 4261 Highway 53 South  
 Eveleth, Minnesota 55734-0441  
 (218) 735-3000 • 800-765-5043  
 Fax: (218)735-3047

**To:** Iron Range Resources Board

**From:** Sandy Layman  
 Commissioner

**Date:** April 15, 2010

**Re: \$191,000 CITY OF MOUNTAIN IRON RAIL ACCESS ROAD IMPROVEMENT GRANT**

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The City of Mountain Iron has requested Iron Range Resources financing, in the form of a Public Works Infrastructure Grant in the amount of \$191,000, to assist with improvements to a rail yard road (Slate Street) utilized by logging trucks. Loggers off-load their trucks at the rail yard and the wood is shipped to Wisconsin mills. It is anticipated that the Canadian National railway will make improvements, at a cost of \$500,000, to its yard that runs adjacent to the railway. Loggers pull up to the rail cars, off-load their wood and exit by crossing the tracks near Highway 169. Total project cost is \$691,000.

#### **BACKGROUND:**

The logging operation at the Mt. Iron siding is run by FOFES LLC out of Angora, Minnesota. The principal is Richard "Finn" Ostman, who has 30 years of experience as a forester and wood buyer. He worked for the Ainsworth plant in Cook for 20 years, which bought over 325,000 cords of wood annually from 80 logging companies. Gary Bailey from Williams MN, through Custom Building Logs, handles the coordination of the rail shipments. He has 20 years of experience in doing so.

The first shipment of logs for this Mountain Iron operation went out in December 2008, and there has been a dramatic increase in business in the past 15 months. Ostman is working with 15 local loggers on this project. Currently there are 40 logging jobs involved; and with the addition of 12 more shipping weeks, an additional 7 jobs would be added.

Recently two other rail transfer operations in the region have shipped a small number of rail car loads. The Minnesota Wilpen yard in Chisholm primarily ships birch to Wisconsin. The Two Harbors site, which is a drying yard, also ships wood. Both operations are run by North Shore Forest Products.

The loss of roughly 800,000 cords of wood demand in Minnesota as a result of the Ainsworth and Weyerhaeuser mill closures has forced area loggers to look for new markets for their wood. New markets are becoming established that allow northeastern Minnesota loggers to export a significant volume of logs to Wisconsin and Canada. The rail transfer yards provide potential markets for over 100,000 cords annually, at a considerable reduction in transportation expenses.

#### **PROJECT DETAIL:**

The improvements to the road include geotextile fabric, sub grade preparation, erosion control and class 5 aggregate base. Road improvement will allow 12 more weeks of utilization of the access road in the spring. At the current shipment of 9 rail cars per week, approximately 3,564 additional cords of wood could be shipped. Also, under current market conditions, the number of rail car shipments could increase from 9 to 15 rail cars per week, thereby increasing traffic on this road overall.

Each rail car handles approximately 33 cords of wood. Each logging truck can haul 10 – 11 cords of wood in the summer and an additional 2 cords in the winter, taking into account the overweight allowance. In the winter, loggers ship mostly tamarack and in the summer, pine.

The release of Iron Range Resources funds is contingent on Canadian National railroad committing, in writing, to improve the railroad siding.

| <u><b>USES</b></u>       |                  | <u><b>SOURCES</b></u>     |                  |
|--------------------------|------------------|---------------------------|------------------|
| City access road         | \$191,000        | Iron Range Resources      | \$191,000        |
| Canadian National siding | 500,000          | Canadian National railway | 500,000          |
| <b>TOTAL</b>             | <b>\$691,000</b> | <b>TOTAL</b>              | <b>\$691,000</b> |

#### **TECHNICAL ADVISORY COMMITTEE RECOMMENDATIONS:**

Recommended approval of the Project at the Committee's April 8, 2010, meeting.

#### **FUNDING AUTHORIZATION:**

Douglas J. Johnson Economic Protection Trust Fund: This proposed project is authorized under the provisions of the Douglas J. Johnson Economic Protection Trust Fund Act (Minnesota Statutes sections 298.291-298.298) pertaining to expenditures of Douglas J. Johnson Economic Protection Trust Fund monies for economic development projects in that these statutes authorize the expenditure of such DJJEPTF monies to provide loans and other forms of financial participation with private sources of funding to assist private enterprises in projects that promote job creation and economic development within the Taconite Assistance Area defined in Minnesota Statutes Section 273.1341.

#### **5) Taconite Area Environmental Protection Fund**

*Action required: Approval requires 7 votes*

**a) FY11 Ironworld Development Corporation – Resolution No. 10-035**

Motion by Citizen Shelley Robinson to approve the FY11 Ironworld Development Corporation funding request as presented in Resolution No. 10-035. Seconded by Citizen Jack Ryan. Motion carried.

**Voting in Favor of the Motion:** Representative David Dill, Representative Tom Rukavina, Representative Tony Sertich, Senator Tom Bakk, Senator Yvonne Prettner Solon, Senator Tom Saxhaug, Senator Rod Skoe, Senator David Tomassoni, Citizen Joe Begich, Citizen Shelley Robinson, Citizen Jack Ryan

**Voting Against the Motion:** None

**Abstain:** None

**Excused:** Representative Tom Anzelc, Representative Loren Solberg

**IRON RANGE RESOURCES AND REHABILITATION BOARD  
OF THE STATE OF MINNESOTA**

**Resolution No.: 10-035**

**WHEREAS**, the Commissioner of Iron Range Resources (“**Commissioner**”) is authorized to expend, upon approval of seven members of the Board, the Taconite Area Environmental Protection Fund monies made available under Minnesota Statutes Section 298.223 (“**TEPF Funds**”) to promote the economic development of the Taconite Assistance Area designated in Minnesota Statutes Section 273.1341 (“**TAA**”); and,

**WHEREAS**, on August 18, 2005, the Board approved Resolution No. 06-001 and authorized Iron Range Resources (“**Agency**”) to place \$10,000,000 into an endowment for the Ironworld Development Corporation (“**IDC**”) for the purpose of permitting the IDC to take control of the management and operations of the Ironworld facilities; and

**WHEREAS**, pursuant to a Sublease/Management Agreement (“**Agreement**”) between IDC and the Commissioner, which provided the IDC with operating funds from the Agency pursuant to its terms, the IDC began managing and operating Ironworld facilities on January 25, 2007; and

**WHEREAS**, on November 16, 2009, the IDC Board informed the Commissioner that it had insufficient cash to continuing operating the Ironworld facilities (now known as the “**Minnesota Discovery Center**”), and on November 20, 2009, IDC closed the facilities to the public, leaving responsibility for the care and management of the facilities at the site to the Agency; and

**WHEREAS**, on December 14, 2010, the Board approved Resolution No. 10-024, which provided the Agency with up to \$250,000 to cover expenditures associated with the closing of

the Minnesota Discovery Center and the subsequent provision of critical services by the Agency at the site to ensure the protection of the buildings and preservation of the collections; and

**WHEREAS**, the Agency and IDC have subsequently negotiated a tentative amendment to the Agreement (“**Amendment**”) that would permit the IDC to resume management and operating control of the Minnesota Discovery Center in May 2010; and

**WHEREAS**, the Amendment calls for the agency to provide the IDC with up to \$1,331,547 in FY 2011 as more fully described in the materials furnished by the Commissioner in the Board meeting packet; and

**WHEREAS**, the Board believes it is necessary to provide the IDC with sufficient funds to enable it to resume operating and managing the Minnesota Discovery Center; and

**WHEREAS**, the Board met in open session at 5:30 p.m. on April 15, 2010, in St. Paul, Minnesota, to consider, among other matters, approving the expenditure of up to \$1,331,547 of TEPF Funds in FY 2011 for the purpose of allowing IDC to resume managing and operating the Minnesota Discovery Center and upon approval of at least seven members has determined that approving the expenditure would be in the public interest and promote economic development within the Taconite Assistance Area.

**NOW, THEREFORE, IT IS RESOLVED**, that the Board hereby approves the expenditure of up to \$1,331,547 of TEPF Funds in FY 2011 to enable the IDC to resume operating and managing the Minnesota Discovery Center pursuant to the terms of the Agreement, which shall be amended consistent with the Commissioner’s proposal as more fully described in the materials furnished by the Commissioner in the Board meeting packet.

**PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION BOARD THIS 15<sup>th</sup> DAY OF APRIL 2010.**

| <b>Member</b>                 | <b>Aye</b> | <b>Nay</b> | <b>Abstain</b> | <b>Excused</b> |
|-------------------------------|------------|------------|----------------|----------------|
| Senator Tom Bakk              | <b>X</b>   |            |                |                |
| Senator Tom Saxhaug           | <b>X</b>   |            |                |                |
| Senator Rod Skoe              | <b>X</b>   |            |                |                |
| Senator Yvonne Prettner Solon | <b>X</b>   |            |                |                |
| Senator Dave Tomassoni        | <b>X</b>   |            |                |                |
| Representative Tom Anzelc     |            |            |                | <b>X</b>       |
| Representative Dave Dill      | <b>X</b>   |            |                |                |
| Representative Tom Rukavina   | <b>X</b>   |            |                |                |
| Representative Tony Sertich   | <b>X</b>   |            |                |                |
| Representative Loren Solberg  |            |            |                | <b>X</b>       |
| Citizen Joe Begich            | <b>X</b>   |            |                |                |
| Citizen Shelley Robinson      | <b>X</b>   |            |                |                |
| Citizen Jack Ryan             | <b>X</b>   |            |                |                |
| <b>TOTAL</b>                  | <b>11</b>  | <b>0</b>   | <b>0</b>       | <b>2</b>       |

Signed: \_\_\_\_\_  
Senator David Tomassoni, Chair

**FY11 Ironworld Development Corporation Funding**



**Iron Range Resources**  
P.O. Box 441  
4261 Highway 53 South  
Eveleth, Minnesota 55734-0441  
(218) 744-7400 • 800-765-5043  
Fax: (218)744-7403

**To:** Iron Range Resources Board Members

**From:** Sandy Layman  
Commissioner

**Date:** October 10, 2012

**Re: PRE-APPROVAL OF FY11 BUDGET ALLOCATION FOR IRONWORLD  
DEVELOPMENT CORPORATION SUBLEASE/MANAGEMENT AGREEMENT**

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**AGREEMENT REACHED:**

A dedicated team from Iron Range Resources and the Ironworld Development Corporation (IDC) Board has worked hard to reach agreement on a revised Sublease/Management contract. To support that agreement I am requesting your pre-approval of the following FY11 Budget amounts for IDC:

**AGENCY FY11 INVESTMENT PLAN**

|                         |                    |
|-------------------------|--------------------|
| IDC Operating Grant     | \$1,000,000        |
| Fundraising Match Grant | \$250,000          |
| Insurance               | \$40,400           |
| Capital Repairs         | \$41,147           |
| <b>TOTAL</b>            | <b>\$1,331,547</b> |

**AGREEMENT TERMS:**

- The agency investment schedule (Exhibit C-2) has been changed to \$1,000,000 a year.

- The “Dollar for Dollar” fundraising match of \$250,000 a year may be applied toward operations or toward the endowment.
- IDC must keep the premises open to the public at least 120 days a year, reduced from a previous minimum of 180. They intend to re-open sometime in May 2010.
- Commercial general liability and commercial auto liability limits were increased from \$1,000,000 to \$2,000,000 per MMB policy changes.
- IDC shall report quarterly to the agency on its financial position, fundraising results and other significant operating matters.

Additionally, IDC has developed the following budget, which projects FY11 revenues in excess of operating expenditures by \$8,472:

| <u>USES</u>           |                    | <u>SOURCES</u>                       |                    |
|-----------------------|--------------------|--------------------------------------|--------------------|
| Salaries              | \$791,500          | Iron Range Resources Operating Grant | \$1,000,000        |
| Operating Expenses    | \$682,928          | Earned Income and Fundraising        | \$62,900           |
|                       |                    | Endowment Interest                   | \$420,000          |
|                       | Subtotal           | Subtotal                             |                    |
|                       | \$1,474,428        |                                      | \$1,482,900        |
| <i>Budget Surplus</i> | <i>\$8,472</i>     |                                      |                    |
| <b>TOTAL USES</b>     | <b>\$1,482,900</b> | <b>TOTAL SOURCES</b>                 | <b>\$1,482,900</b> |

#### **FUNDING AUTHORIZATION:**

Taconite Area Environmental Protection Fund: These proposed projects are authorized under the provisions of the Taconite Area Environmental Protection Fund Act (“**TEPF**”) (Minnesota Statutes Section 298.233) pertaining to expenditures of monies made available under the TEPF for local economic development projects and public works, including construction of sewer and water systems located within the taconite assistance area (“TAA”) as defined in Minnesota Statute Section 273.1341.

#### **6) Other**

##### **a) Virginia Regional Medical Center Grant Request**

Chairman Tomassoni invited Kyle Hopstad, Interim Administrator, Virginia Regional Medical Center (VRMC), to present a grant request for \$850,000.

Hopstad discussed the hospital’s need to remodel its surgical facilities and purchase new equipment that will allow additional surgical procedures to be performed at VRMC, thereby bringing in much needed revenues to the hospital.

Commissioner Layman cautioned that the project had not been placed on the meeting agenda because no application had yet been received by the agency allowing for due diligence by staff. She suggested that time be allowed to properly review the project prior to Board action. Layman



mentioned that a \$200,000 grant had been approved by the Board for remodeling at VRMC at a meeting in August 2009, which has not yet been accessed. In addition, she also discussed a \$215,000 grant to the Iron Range Health Care Collaborative, which includes the VRMC, Grand Itasca and Fairview hospitals, which had been awarded at the December 2009, Board meeting and also has not been accessed.

Motion by Representative Tom Rukavina to: amend the FY10 Budget by increasing the TEPF business development account by \$650,000 from carryforward monies; authorize the agency to reallocate \$200,000 in the a current grant contract with VRMC toward this new request; not release the funding for the project until VRMC and Iron Range Resources enter into a grant contract that specifies, to the agency's satisfaction, all matters necessary to ensure that grant funds are expended for operating room improvements consistent with a detailed project plan and budget, to be included as part of the grant contract, and require a 1-to-1 match by VRMC on an amount up to \$650,000 from non-agency sources. Second by Senator Yvonne Prettner Solon. Motion carried.

**Voting in Favor of the Motion:** Representative David Dill, Representative Tom Rukavina, Representative Tony Sertich, Senator Yvonne Prettner Solon, Senator Tom Saxhaug, Senator David Tomassoni, Citizen Joe Begich, Citizen Shelley Robinson, Citizen Jack Ryan

**Voting Against the Motion:** None

**Abstain:** None

**Excused:** Senator Tom Bakk, Senator Rod Skoe, Representative Tom Anzelc, Representative Loren Solberg

**7) Taconite Area Environmental Protection Fund (*continued*)**

*Action required: Approval requires 7 votes*

**b) City of Eveleth – Resolution No. 10-036**

Motion by Citizen Joe Begich to approve the City of Eveleth project, as presented in Resolution No. 10-036. Seconded by Representative Tony Sertich. Motion carried.

**Voting in Favor of the Motion:** Representative David Dill, Representative Tom Rukavina, Representative Tony Sertich, Senator Yvonne Prettner Solon, Senator Tom Saxhaug, Senator David Tomassoni, Citizen Joe Begich, Citizen Shelley Robinson, Citizen Jack Ryan

**Voting Against the Motion:** None

**Abstain:** None

**Excused:** Senator Tom Bakk, Senator Rod Skoe, Representative Tom Anzelc, Representative Loren Solberg

**IRON RANGE RESOURCES AND REHABILITATION BOARD**

**OF THE STATE OF MINNESOTA  
CITY OF EVELETH MINELAND RECLAMATION GRANT APPROVAL**

**Resolution No.: 10-036**

**WHEREAS**, the Commissioner is authorized to expend, upon approval of at least seven members of the Board, the Taconite Area Environmental Protection Fund monies made available under Minnesota Statutes Section 298.223 (“**TEPF Funds**”) for the reclamation, restoration or reforestation of mine lands not otherwise provided for in state law within the Taconite Assistance Area designated in Minnesota Statutes Section 273.1341 (“**TAA**”); and

**WHEREAS**, the agency’s approved FY 2010 Investment Plan budget includes the allocation of \$490,000 of TEPF Funds for Mining and Mineland Reclamation Expenditures, and of that amount allocates \$125,000 specifically for other Mineland Reclamation Projects (“**Mineland Reclamation Funds**”); and

**WHEREAS**, the Commissioner has received a proposal from the City of Eveleth for the expenditure of up to \$40,920 of Mineland Reclamation Funds for a project to help mitigate the land subsidence occurring in the city from an abandoned underground mine, as more specifically described in the Board packet materials presented to the Board, which project would be undertaken and implemented in the TAA (the “**Proposed Project**”); and

**WHEREAS**, the Board met in open session at 5:30 p.m. on April 15, 2010 in St. Paul, Minnesota, to consider, among other matters, the Proposed Project and has determined that the expenditure of up to \$40,920 of Mineland Reclamation Funds for the purposes specified herein would be in the public interest and would result in the reclamation and restoration of mine lands within the Taconite Assistance Area.

**NOW, THEREFORE, IT IS RESOLVED** that the Board hereby approves the expenditure of up to \$40,920 of Mineland Reclamation Funds to provide a grant to the City of Eveleth for the Proposed Project, which is more fully described in the Board packet materials presented to the Board.

**PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION BOARD THIS 15<sup>th</sup> DAY OF APRIL 2010.**

| <b>Member</b>                 | <b>Aye</b> | <b>Nay</b> | <b>Abstain</b> | <b>Excused</b> |
|-------------------------------|------------|------------|----------------|----------------|
| Senator Tom Bakk              |            |            |                | <b>X</b>       |
| Senator Tom Saxhaug           | <b>X</b>   |            |                |                |
| Senator Rod Skoe              |            |            |                | <b>X</b>       |
| Senator Yvonne Prettner Solon | <b>X</b>   |            |                |                |
| Senator Dave Tomassoni        | <b>X</b>   |            |                |                |
| Representative Tom Anzelc     |            |            |                | <b>X</b>       |
| Representative Dave Dill      | <b>X</b>   |            |                |                |
| Representative Tom Rukavina   | <b>X</b>   |            |                |                |
| Representative Tony Sertich   | <b>X</b>   |            |                |                |

|                              |          |          |          |          |
|------------------------------|----------|----------|----------|----------|
| Representative Loren Solberg |          |          |          | <b>X</b> |
| Citizen Joe Begich           | <b>X</b> |          |          |          |
| Citizen Shelley Robinson     | <b>X</b> |          |          |          |
| Citizen Jack Ryan            | <b>X</b> |          |          |          |
| <b>TOTAL</b>                 | <b>9</b> | <b>0</b> | <b>0</b> | <b>4</b> |

Signed: \_\_\_\_\_  
 Senator David Tomassoni, Chair

### City of Eveleth



**Iron Range Resources**  
 P.O. Box 441  
 4261 Highway 53 South  
 Eveleth, Minnesota 55734-0441  
 (218) 735-3000 • 800-765-5043  
 Fax: (218) 735-3047

**To:** Iron Range Resources Board

**From:** Sandy Layman  
 Commissioner

**Date:** April 15, 2010

**Re: \$40,920 CITY OF EVELETH GRANT FOR MITIGATION OF SUBSIDENCE  
 ASSOCIATED WITH THE AAD UNDERGROUND MINE**

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The City of Eveleth has requested Iron Range Resources financing, through a Mineland Reclamation grant in the amount of \$40,920, to mitigate the subsidence caused by the Aad underground mine at the corner of Adams Avenue and Cleveland Street in Eveleth. The project will include filling the area of subsidence, preparing the surface for the construction of a reinforced concrete slab extending over the subsidence area, and then installing the concrete cap over the area.

#### **BACKGROUND:**

In June 2009, part of the old Aad Underground Mine had significantly subsided for the second time within a residential area in Eveleth at the northwest corner of Cleveland Street and Adams Avenue. The St. Louis County Mine Inspector, DNR and IRR visited the site and, along with the City, determined the best short-term action plan was continued monitoring of the site and placing fill material into the subsidence as required. The diameter of the subsidence has not grown over the past ten months, which was a primary concern, as this would have prevented a permanent solution to this safety issue.

#### **PROJECT DETAIL:**

The perimeter of the subsidence area now appears to be stable and not expanding. Therefore, it's feasible to implement a permanent fix of constructing a concrete cap over the area with a removable hatch cover assembly (manhole with cover) placed over the center of the subsidence. This will permit the city to continue monitoring the subsidence and placing fine grained fill material into the void as necessary and prevent any unfortunate accidents from occurring in the future.

The funding for the project will come from the \$125,000 FY10 Budget allocation for Mineland Reclamation projects. At the June 18, 2009, Board meeting, the Board reallocated the \$125,000 that had been proposed for a Wetland Mitigation Cooperative to instead be used for Mineland Reclamation projects that might arise during FY10. To date, none of these funds have been used. The \$40,920 for the Eveleth project will be used as follows:

|                    |                    |
|--------------------|--------------------|
| Site preparation   | \$5,000.00         |
| Common excavation  | \$2,025.00         |
| Aggregate base     | \$875.00           |
| Concrete pavement  | \$22,000.00        |
| Casting assembly   | \$1,000.00         |
| Turf establishment | \$500.00           |
| Engineering        | \$7,950.00         |
| Contingency (5%)   | \$1,570.00         |
| <b>Total</b>       | <b>\$40,920.00</b> |

#### **FUNDING AUTHORIZATION:**

Funding for the project will come from the Taconite Area Environmental Protection Fund (M.S. 298.223), which is created for the purpose of reclaiming, restoring and enhancing those areas of northeast Minnesota located within the taconite assistance area defined in section 273.1341 that are adversely affected by the environmentally damaging operations involved in mining taconite and iron ore and producing iron ore concentrate and for the purpose of promoting the economic development of northeast Minnesota. The taconite environmental protection fund shall be used for the following purposes. . . (2) reclamation, restoration, or reforestation of mine lands not otherwise provided for by state law. . .

#### **8) Iron Range Higher Education Fund**

*Action required: Approval requires 7 votes*

##### **a) Iron Range Higher Education Committee Expenditure – Resolution No. 10-037**

Motion by Senator Tom Bakk to approve the Iron Range Higher Education Committee expenditure, as presented in Resolution No. 10-037. Seconded by Citizen Shelley Robinson. Motion carried. Representative Tony Sertich abstained from the vote.

**Voting in Favor of the Motion:** Representative David Dill, Senator Tom Bakk, Senator Yvonne Prettner Solon, Senator Tom Saxhaug, Senator David Tomassoni, Citizen Joe Begich, Citizen Shelley Robinson, Citizen Jack Ryan

**Voting Against the Motion:** None

**Abstain:** Representative Tony Sertich

**Excused:** Senator Rod Skoe, Representative Tom Anzelc, Representative Tom Rukavina, Representative Loren Solberg

**IRON RANGE RESOURCES AND REHABILITATION BOARD  
OF THE STATE OF MINNESOTA  
IRON RANGE HIGHER EDUCATION ACCOUNT  
EXPENDITURE APPROVAL**

**Resolution No.: 10-037**

**WHEREAS**, Minnesota Statutes Section 298.28, subd. 9d allocates 5 cents per taxable ton of taconite taxes to the agency to be deposited in an Iron Range higher education account (“**Higher Education Account**”) to be used for higher education programs conducted at educational institutions in the Taconite Assistance Area designated in Minnesota Statutes Section 297.1341 (“**TAA**”); and,

**WHEREAS**, Minnesota Statutes Section 298.2214 created the Iron Range Higher Education Committee (“**Committee**”) to advise the commissioner of Iron Range Resources on providing higher education programs within the TAA; and,

**WHEREAS**, pursuant to 298.28, subd. 9d, both the Iron Range Resources and Rehabilitation Board (“**Board**”) and the Committee must approve all expenditures from the Higher Education Account; and,

**WHEREAS**, the Committee and Board previously approved an expenditure of up to \$100,000 of the Higher Education Account funds to contract with a consultant to develop a comprehensive plan to address higher education needs in the TAA; and,

**WHEREAS**, the comprehensive plan has been completed and accepted by the Committee, and the Committee has approved the expenditure of up to an additional \$100,000 to issue a Request for Proposals (“**RFP**”) and award a contract to a qualified consultant to evaluate and implement certain portions of the comprehensive plan as more fully described in the materials furnished by the Commissioner in the Board meeting packet; and

**WHEREAS**, the Board met in open session at 5:30 p.m. on April 15, 2010 in St. Paul, Minnesota, to consider, among other matters, the proposed expenditure of up to \$100,000 of Higher Education Account funds for the purpose of entering into a contract with a consultant to evaluate and implement key components of the comprehensive plan that addresses higher education needs in the TAA, and by an affirmative vote of at least seven of its members has determined that such expenditure would be in the public interest and promote economic development within the TAA.

**NOW, THEREFORE, IT IS RESOLVED** that the Board hereby approves the expenditure of up to \$100,000 of Higher Education Account funds for the purpose of issuing an RFP and entering into a contract with a qualified consultant to evaluate and implement certain portions of the comprehensive plan that addresses higher education needs in the TAA, as more fully described in the materials furnished by the Commissioner in the Board meeting packet.

**PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION BOARD THIS 15<sup>th</sup> DAY OF APRIL 2010.**

| <b>Member</b>                 | <b>Aye</b> | <b>Nay</b> | <b>Abstain</b> | <b>Excused</b> |
|-------------------------------|------------|------------|----------------|----------------|
| Senator Tom Bakk              | <b>X</b>   |            |                |                |
| Senator Tom Saxhaug           | <b>X</b>   |            |                |                |
| Senator Rod Skoe              |            |            |                | <b>X</b>       |
| Senator Yvonne Prettner Solon | <b>X</b>   |            |                |                |
| Senator Dave Tomassoni        | <b>X</b>   |            |                |                |
| Representative Tom Anzelc     |            |            |                | <b>X</b>       |
| Representative Dave Dill      | <b>X</b>   |            |                |                |
| Representative Tom Rukavina   |            |            |                | <b>X</b>       |
| Representative Tony Sertich   |            |            | <b>X</b>       |                |
| Representative Loren Solberg  |            |            |                | <b>X</b>       |
| Citizen Joe Begich            | <b>X</b>   |            |                |                |
| Citizen Shelley Robinson      | <b>X</b>   |            |                |                |
| Citizen Jack Ryan             | <b>X</b>   |            |                |                |
| <b>TOTAL</b>                  | <b>8</b>   | <b>0</b>   | <b>1</b>       | <b>4</b>       |

Signed: \_\_\_\_\_  
Senator David Tomassoni, Chair

## **9) Adjournment**

The meeting adjourned at 7:09 p.m.